Louis Gilbert & Associates, Inc.

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August 14, 2007

Honorable James H. Welsh Commissioner of Conservation P.O. Box 94275, Capitol Station Baton Rouge, Louisiana 70804-9275

RE: Application Notice
13,900' ZONE, RESERVOIR A
LAC BLANC FIELD
Vermilion Parish, Louisiana

Dear Sir:

Oracle Oil, LLC ("Oracle") hereby makes application to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating the 13,900' Zone, Reservoir A, in the Lac Blanc Field, Vermilion Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate.
- 2. To create a single drilling and production unit for the exploration for and production of gas and condensate.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate a unit operator and a unit well at a location which is in exception to the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E) for the unit so created.
- 5. To provide that future wells drilled to the 13,900' Zone, Reservoir A, within or outside of the proposed unit shall be exempt from the spacing provisions of LAC 4C:XIX.1901 et seq.(Statewide Order No. 29-E).
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
 - 7. To consider such other matters as may be pertinent.

The 13,900' Zone, Reservoir A, in the Lac Blanc Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 13,648' and 14,185' (electrical log measurements) in the Union Exploration Partners, Ltd. (Union Oil of California) - Ulysse Veazey No. 1 Well, located in Section 2, Township 16 South, Range 1 West, Vermilion Parish, Louisiana.

A timely request for the pre-hearing conference tentatively scheduled for Monday, August 13, 2007 was received and subsequently held and a copy of the list of conference attendees is attached. The undersigned on behalf of the applicant presented the geologic and other basis for the proposed unit. After a brief general discussion the conference was adjourned with all parties reserving their rights. It is unknown whether opposition is likely at the hearing to be scheduled in connection with the matter.

All pertinent data relating to the subject application is available for inspection at the Offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should contact the undersigned at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for <u>POSTING</u> of the hearing and proposed well location plat in a prominent place in the area of the Lac Blanc Field, Terrebonne Parish, Louisiana. Also, the legal notice will be <u>PUBLISHED</u> in a newspaper of general circulation in the vicinity of the Lac Blanc Field.

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of Parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

There is attached a check made payable to the Office of Conservation, representing the required hearing application fee on behalf of Oracle Oil, LLC.

Very truly yours,

Louis pilbert, associates, inc.

Louis F. Gilbert

cc: Mr. Richard Hudson (w/enclosures)
Office of Conservation

Oracle Oil, LLC w/enclosures)

Interested Parties, Interested Owners
And Represented Parties (w/plat)

